

PX 250

Message

From: Antoinette O'Gorman [REDACTED]@ripple.com]
Sent: 10/31/2016 1:42:50 PM
To: [REDACTED]@ripple.com>
Subject: Fwd:

FYI. E-mail exchange btw Brad, Patrick and I earlier today.

Antoinette O'Gorman
Chief Compliance Officer | Ripple
[REDACTED]@ripple.com | ripple.com



----- Forwarded message -----

From: Antoinette O'Gorman [REDACTED]@ripple.com>
Date: Mon, Oct 31, 2016 at 11:04 AM
Subject: Re:
To: Patrick Griffin <[REDACTED]@ripple.com>
Cc: Brad Garlinghouse <[REDACTED]@ripple.com>

Yes, it can, and more. IRS is of the opinion that virtual currency is "property", CFTC treats it as a "commodity", FinCEN has stated their opinion that "virtual currency operates as "real" currency in some environments" and the SEC may well come out on the side that certain crypto-currencies are securities. It's an interesting conundrum and one that begs for a more uniform regulatory approach at the federal (and state) level(s) but the probability of that ever happening is extremely low.

Antoinette O'Gorman
Chief Compliance Officer | Ripple
[REDACTED]@ripple.com | ripple.com



On Mon, Oct 31, 2016 at 10:42 AM, Patrick Griffin <[REDACTED]@ripple.com> wrote:
Thank you for the update.

One thing I noticed is that we are referencing FinCEN guidance about virtual *currency* when dealing with XRP II and these market makers, but we are referencing the CFTC's position that these things are digital *assets* to be regulated and taxed like a commodity. Can XRP be both a currency (FinCEN territory) and a commodity (CFTC territory)?

Patrick

On Nov 1, 2016, at 1:33 AM, Brad Garlinghouse <[REDACTED]@ripple.com> wrote:

A'OG and I just caught up on this. Suffice it to say (stating the obvious), their legal guidance is different than our legal guidance.

Patrick -

I think we need to find a way to restructure the contract to more clearly make them a 'user'. I have some ideas.

We obviously aren't going to solve this by tomorrow. While marginally disappointing - it's not critical for tomorrow.

Let's lean on GSR for now - and in parallel work to get [REDACTED] to a place where we can diversify beyond GSR.

More later this week when we are together.

Best,
Brad

On Mon, Oct 31, 2016 at 8:58 AM, Patrick Griffin <[REDACTED]@ripple.com> wrote:

Hi Antoinette,

We are working with [REDACTED] this week to programmatically buy/sell XRP ("support algo" mentioned in [REDACTED] email below). GSR provides that service for us now and we want to diversify by working with [REDACTED] as well.

There is some time sensitivity. Do you have an update on your end? Do you agree with the position their legal team is taking that [REDACTED] a user of virtual currency?

Brad has asked for an update on [REDACTED] so copying Brad for visibility.

Patrick

Begin forwarded message:

From: [REDACTED] <[REDACTED]@[REDACTED].com>
Date: October 31, 2016 at 10:51:57 PM GMT+7
To: Patrick Griffin <[REDACTED]@ripple.com>
Cc: [REDACTED] <[REDACTED]@[REDACTED].com>

Patrick, we are working on the implementation of the support algo. [REDACTED]
Please let us know if your legal side is good with the response form [REDACTED]
regarding us not being regarded
as a money transmitter so we can proceed under the assumption that support
will take place through the
prefunded MM wallet.

Thanks,
[REDACTED]